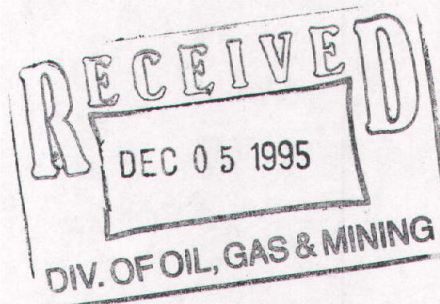


Assigned DOGM File No.: S 10471064
DOGM Lead: AAG

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340
Fax: (801) 359-3940



NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Cottonwood Mine
 2. Name of Operator/Applicant: Lexco, Inc.
Company (X) Corporation () Partnership () Individual ()
 3. Permanent Address: P O Box 1198
City: Vernal State: Utah Zip Code: 84108
Telephone Number: (801) 789 5361
 4. Ownership of Land Surface:
Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____
 5. Ownership of Minerals:
Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____
- Utah Mining Claim Number(s): _____

Utah State Lease Number(s): _____

Name of Lessee(s) Lexco, Inc. BLM LEASE 72699

6. Have the above surface and mineral owners been notified in writing?

Yes X No _____

If no, why not? _____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

7. Does the operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No _____

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. Project Location (legal description):

County(ies): Uintah

Township 10s - Range 21E

Section 34: NW4NW4, S2NW4, SW4NE4, N2SE4

Section 35: N2SW4, SE4SW4, S2SE4

Township 11S - Range 21E

Section 1: NE4NE4

2. A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the operator also plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

III. OPERATION PLAN (Rule R647-3-106)

1. Type of mining: Surface ☐ Underground ☒
2. Mineral(s) to be mined: Gilsonite
3. Provide a brief description of the proposed mining operation and onsite processing facilities. Underground mining of a narrow, vertical gilsonite vein. Three to four men on mining crew. No onsite processing. Ore will be transported in a covered truck to the processing plant at Randlett, Utah. Maximum of one truck per day.

☐ New Road(s): Length 2000 (ft) Width 20 (ft) = 0.92 Acres

☐ Improved Road(s): Length none (ft) Width _____ (ft)

Total project surface acreage to be disturbed: 2.2 acres (acres)

Proposed startup date of project (month, year) April, 1996

Proposed completion date of project, if known (month, year) not known

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by ripping, discing, or harrowing.
13. Reseed disturbed areas with adaptable species. (The Division recommends seeding 20 lbs./acre of native and introduced species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or if broadcast seeded, harrow or rake the seed 1/4-1/2 inch into the soil - fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)Yes ☐ No ☒

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

<u>Item Number</u>	<u>Variance Request Justification</u>
_____	_____
_____	_____
_____	_____
_____	_____

VI. SIGNATURE REQUIREMENT

I hereby commit to conduct mining operations and to reclaim the aforementioned small mine as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature of Operator/Applicant: _____

Name (typed or printed): _____

James M. Lekas

Title/Position (if applicable): _____

President, Lexco Inc.

Date: _____

By: *Mitchell A. Lekas*
Vice President
Lexco, Inc
Dec 4, 1995

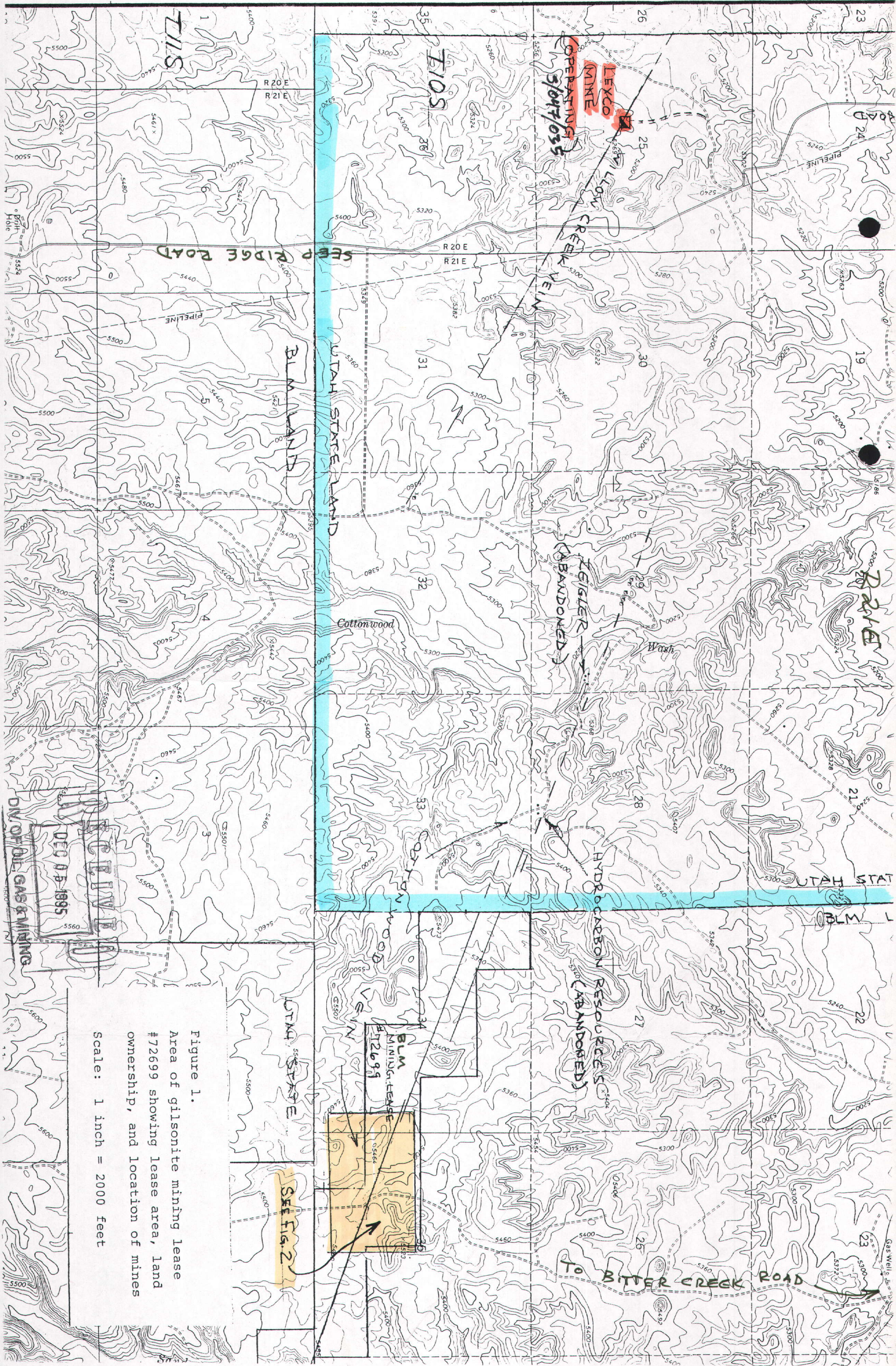


Figure 1.
Area of gilsonite mining lease
#72699 showing lease area, land
ownership, and location of mines

Scale: 1 inch = 2000 feet

SECTION 34

SECTION 35

10S - 21E

QUARTER
CORNER

05464

OUTCROP OF VEIN

SHAFT #2

COUNTY ROAD
TO VERNAL

SHAFT #1

150' x 150'

MINE AREA. CONTAINS
ORE BIN, HOIST, WAREHOUSE,
GENERATOR, PARKING,
OUTSIDE STORAGE

INITIAL
MINING

ORE BIN AND
TRUCK TURNAROUND

Location of shafts and access roads
for mine development

FIGURE 2.



production shaft



escape shaft

Scale: 1 inch = 200 feet

RECEIVED
DEC 05 1995

DIV. OF OIL, GAS & MINING

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